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EDITORIAL

Ready For Massachusetts Casino Competition?

The state had better prepare; the goose is laying fewer golden eggs

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Proposed casinos for Massachusetts and Rhode Island are not good news for Connecticut, which has come to depend on its two casino resorts for hundreds of millions of dollars yearly in state revenues, thousands of jobs and tourists galore.

On the bright side: The competition on the northern front is still a few years away. Massachusetts lawmakers have authorized three casinos in that state, and at least six developers have expressed interest in building a casino resort in or near Springfield. But the first casino won't open for some time.

Also, the biggest threat to Connecticut's gaming empire, a Steve Wynn/Robert Kraft casino next to Gillette Stadium in Foxborough, Mass., is now dead. The developers abandoned what could have been a formidable rival.

Plus, it's not like Connecticut's casinos are unfamiliar with competition. After all, the Mohegan Sun and Foxwoods Resort Casino have been competing with each other for 16 years, as well as with Atlantic City and smaller gaming meccas. Half of the money coming into the tribal casinos comes from out of state.

Finally, there's no way that Massachusetts casino developers, in this dismal economy, can come close to building the palaces that Foxwoods and the Mohegan Sun have become. Tourists looking for more than just a slot machine — for dazzling shows, top restaurants, a state-of-the-art museum, one of the world's largest planetarium domes — will not soon find anything better than these two empires.

Nevertheless, the gravy train is slowing. Is Connecticut ready?

Gravy Train

In the 1990s, when Foxwoods and then Mohegan Sun opened just eight miles apart, they reaped the benefits of the real estate maxim "location, location, location." They were within day-trip driving distance of New York, Massachusetts and Rhode Island. Foxwoods and Mohegan Sun are now, respectively, the biggest and second-biggest casinos in the Western Hemisphere, employing a total of 19,000 people.

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The advertisement is a dark blue rectangular box. At the top, the text 'MURPHY'S LAW' is written in large, bold, yellow capital letters. Below this, in white capital letters, is the question 'DID CONGRESSMAN CHRIS MURPHY GET A SPECIAL DEAL?'. To the right of this text is a circular yellow frame containing a portrait of Congressman Chris Murphy. Below the question, a yellow arrow points to the right with the text 'LEARN MORE' in white capital letters. At the bottom of the box, a small white rectangular box contains the text 'PAID FOR BY LINDA MCMAHON FOR SENATE 2012' in dark blue capital letters.

Under an agreement with the state, the two turn over 25 percent of the revenue from slot machines to Connecticut's general fund. Last year, that amounted to more than \$344 million.

But the vast profits have slowed from its zenith, when it would bring the state \$420 million a year. Both casinos have had major layoffs. A New York Times Magazine story in March was headlined "Foxwoods Is Fighting for Its Life."

Though the prospect of expanded gaming nearby is worrying, the competition is not all in the future. Last year, a casino was opened at Aqueduct Racetrack in Queens, N.Y.; reachable by subway from Manhattan, it saw a bigger slot-machine take earlier this year than Mohegan Sun and Foxwoods combined.

For Connecticut's casinos' future, the American Indian tribes that run them must continue their push to diversify and broaden their appeal. Using concerts, golf, basketball and shopping, both tribes have made their facilities tourist destinations rather than simply gaming halls. Mohegans also operate a casino at the Pocono Downs racetrack in Plains Township, Penn., and plan to buy a part of Resorts Casino Hotel in Atlantic City. Mohegan Sun is vying for a license to run casino in Palmer, 20 miles east of Springfield.

Foxwoods officials long ago foresaw the time when diversity would be required. "Gambling will not sustain my tribe or this state in terms of a broad economic base," a development officer for the Mashantucket Pequot tribe said in 1995. "Gaming is but a small part of economic development."

As for the state, it must readjust its expectation that its casinos will be able to pump as much money into its coffers as in the past. State leaders must either replace the slot machine shortfall or live without it, both more challenging options than taking a slice of the casinos' gambling profits.

But lawmakers don't have a choice. When neighboring casinos open, as was probably inevitable, southeastern Connecticut's cash cow will have less and less milk for the state's bucket.

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